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ARTICLES:

- (1) Fukuda nearly certain to become LDP president

YOMIURI (Top play) (Abridged)

Eve., September 14, 2007

The ruling Liberal Democratic Party announced a presidential election today along with Prime Minister Shinzo Abe's announcement of his resignation. The leaders of the Machimura, Niwa-Koga, Yamasaki, Tanigaki, and Ibuki factions in the LDP clarified their

support for former Chief Cabinet Secretary Yasuo Fukuda, 71, who is with the Machimura faction. In the Tsushima faction, Finance Minister Fukushiro Nukaga, 63, who was eager to run in the race, has given up on his candidacy. The Tsushima faction is going to back Fukuda. Accordingly, Fukuda is expected to obtain support from more than half of the LDP's lawmakers. Fukuda is essentially now certain to become the LDP's new president. Meanwhile, LDP Secretary General Taro Aso, 66, will meet the press this afternoon to announce his candidacy for the race. Candidates are to file their candidacies tomorrow. The LDP will elect its new president on Sept. 23.

(2) LDP race: Major factions form anti-Aso coalition

TOKYO (Page 3) (Abridged)
September 14, 2007

Former Chief Cabinet Secretary Yasuo Fukuda has now made up his mind to run in the ruling Liberal Democratic Party's presidential election. LDP Secretary General Taro Aso, who was ahead of all other potential candidates, has now gotten into a scrape with the advent of an influential candidate backed by big factions in the LDP. They want Fukuda elected to the post of LDP president. How did they form their coalition against Aso?

"In a way, I may be the least lucky of all," Fukuda told reporters yesterday evening in the Diet, indicating that difficulties were in store for him even if he becomes prime minister.

Prime Minister Shinzo Abe abruptly announced his resignation on Sept. 12. After that, the "new YKK trio" of former LDP President Taku Yamasaki, former LDP Secretary General Makoto Koga, and former LDP Secretary General Koichi Kato was on the move. The three

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persuaded Fukuda to run for the LDP presidency. Former Finance Minister Sadakazu Tanigaki was also a potential candidate eager to run. However, Tanigaki, according to one close to him, has given up on his candidacy this time if Fukuda runs.

The three factions of Koga, Tanigaki, and Aso stem from the former Miyazawa faction, which had a strong imprint of liberalism. The Koga and Tanigaki factions have distanced themselves from Abe, who is conservative. The two factions were strongly repulsed by the way Aso sought to take power while standing behind Abe.

The Yamasaki faction, which is critical of Abe, joined the Koga and Tanigaki factions to form a coalition against Aso. "He has joint responsibility for Prime Minister Abe's sudden resignation." With this, one LDP veteran lawmaker criticized Aso. Such criticism is spreading in the LDP. The anti-Aso coalition has now expanded beyond the new YKK trio's framework.

Fukuda, now backed by the anti-Aso factions, proved himself to be a steady hand as chief cabinet secretary when Prime Minister Koizumi was in office. Fukuda got high marks for his stable political ability, and he is also well known. His political stance is also regarded as liberal. At the time of the LDP race in the fall of last year as well, the new YKK trio moved to run Fukuda against Abe. Fukuda answered the call the new YKK trio had been making over the past two years.

On Sept. 12, the new YKK trio asked Fukuda to run. At that time, Fukuda withheld his answer, telling them that he would "carefully consider" his entry into the race.

Fukuda is with the Machimura faction, which has produced three prime ministers in succession, namely, Yoshiro Mori, Junichiro Koizumi, and Shinzo Abe. If Fukuda becomes the fourth one in a row, that is an extremely rare case.

Furthermore, Abe's abrupt announcement of his resignation has thrown the LDP into confusion. "The Machimura faction should not say the next one is Fukuda," one of the Machimura faction's leaders said. In addition to Fukuda, the Machimura faction has Foreign Minister Nobutaka Machimura, who was a candidate for the race. Fukuda had to clear this problem before his entry into the race, or he could not

expect to win.

Fukuda met with Mori and Machimura yesterday afternoon. He also kept in touch with other factions. "The Machimura faction will not put him up," one of the Machimura faction's leaders said. "Instead," this leader added, "he will run in the form of being recommended by other factions." Fukuda then made up his mind.

(3) Post-Abe diplomacy not in sight; Japan's N. Korea policy may change

ASAHI (Page 8) (Full)
September 13, 2007

Will Japan continue to back up the United States in its war on terror? How will Japan deal with the pending issue of Japanese nationals abducted to North Korea? What is in store for the six-party talks over North Korea's nuclear programs? What will come out of Japan-China relations in their "thawing" phase? What about Japan's "assertive" diplomacy? Will Japan inherit or alter Prime

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Minister Abe's ideals-first diplomacy? In the aftermath of the prime minister's abrupt announcement of his resignation, Japan's foreign policy is also becoming increasingly uncertain.

Prime Minister Abe has upheld his diplomacy with emphasis on values, aiming to strengthen Japan's relations with countries that share values like freedom and democracy. Taro Aso, secretary general of the ruling Liberal Democratic Party, shored up Abe and his government while he was in the cabinet as Abe's foreign minister. Abe's values-oriented diplomacy also has something in common with Aso's diplomatic concept of an "arc of freedom and prosperity." In particular, Japan has now cited a bilateral joint declaration on security with Australia, following the first one with the United States. Japan has now expanded the scope of its bilateral alliance with the United States to a de facto tripartite alliance involving Australia.

However, the Bush administration's plan to democratize the Middle East has now hit snags. Under such circumstances, Abe's diplomatic stance with ideals going first could unnecessarily antagonize Japan's neighbors. One of them is China, a big power rapidly growing in the region. Then, how will the next prime minister position Japan in its relations with China?

Japan is deeply tied to the United States in political, economic, security, and various other areas. Abe's resignation would therefore not undermine the two countries' bilateral relationship at once. Even so, it is now difficult for Japan to continue the Maritime Self-Defense Force's refueling activities in the Indian Ocean under the Antiterrorism Special Measures Law (beyond its Nov. 1 expiry). As it stands, there is no knowing if Japan's next prime minister can build a honeymoon relationship like the Koizumi-Bush relationship. "The focus is on whether the next prime minister can continue the MSDF's mission," says a senior official of the Foreign Ministry.

In addition, a US presidential election is also scheduled ahead. In its campaigning for the next presidency, the Democratic Party is seeking to expand the United States' engagement with China. What if the Democratic Party comes into office? "If that is the case," one of the Foreign Ministry's senior officials says, "the United States may shift the axis of its Asia diplomacy from Japan to China."

Japan and the United States may be wavering in their relations. This will also likely leave subtle repercussions on the two countries' respective policies toward North Korea. The US government is considering removing North Korea from its terrorist list and formally ending the Korean War if North Korea abandons its nuclear programs and disables its nuclear facilities.

Tokyo has told Washington that the US government should not delist North Korea as long as there is no progress on the abduction issue. However, the United States and North Korea are now moving at a high pitch for rapprochement through direct dialogue. Then, the question is if Japan's next prime minister can maintain Abe's hardline stance

toward Pyongyang. Some note that Japan alone may be left behind other six-party members over their relations with North Korea. The post-Abe leader therefore could switch Abe's diplomatic stance.

Abe, shortly after coming into office, visited China and South Korea. His visits to the two neighbors helped improve Japan's bilateral relations with the two countries. For the time being, Japan's bilateral relations with these two countries are not

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expected to undergo a sea change. This year marks the 35th anniversary of diplomatic normalization between Japan and China, with both countries in a mood to welcome it. Abe's predecessor, former Prime Minister Koizumi, was particular about paying homage at Yasukuni Shrine. While Koizumi was in office, there were no mutual visits of leaders between Japan and China. With Abe coming into office, the two countries resumed high-level mutual visits. Chinese Prime Minister Wen Jiabao visited Japan in April, and Chinese Defense Minister Cao Gangchuan in August. Chinese President Hu Jintao is scheduled to visit Japan next year. Ahead of his visit, how to get Japan-China relations on track will be a challenge for the next prime minister.

Japan-China relations are thawing, with Abe having abstained from visiting Yasukuni Shrine and China having shelved issues related to history. However, Tokyo and Beijing have yet to resolve pending issues, such as what to do about developing oil fields together in the East China Sea.

(4) Abe's resignation -- Japan's credibility at risk

NIKKEI (Page 1) (Abridged slightly)
September 14, 2007

By Naoaki Okabe, Nikkei editor-in-chief

Prime Minister Shinzo Abe's abrupt announcement to step down caused not only chaos in the Liberal Democratic Party that has carried out irresponsible and childish politics but also rocked the entire nation. Public confidence in politics is now at stake. If the government fails to climb out of this political turmoil and a long policy vacuum results, Japan's political risk might eventually set off an international storm. The task of ending the political crisis will weigh heavily on the next administration.

People might call it 9/12. An embattled Abe announced his intention to resign on September 12, the day after the international community renewed its resolve to fight against terrorism on the sixth anniversary of 9/11.

The next administration will have to tackle the laborious homework Abe refused to finish. The refueling mission in the Indian Ocean is an important role Japan can play in the war on terrorism. Extending the Antiterrorism Special Measures Law is essential for maintaining the Japan-US alliance and working closely with the rest of the world.

In contrast to the Iraq war that is strongly tinged with President Bush's unilateralism, the war in Afghanistan is an international effort involving such countries as Germany, France, and Pakistan that opposed the Iraq war. The government's decision to discontinue the refueling mission and leave the war on terrorism would harm Japan's international position, effectively bringing back the country to the days before the Gulf War, in which Japan was criticized for its "checkbook diplomacy."

The war on terrorism is not the only pressing issue. Although the economy is recovering, the Japanese economy is saddled with many structural problems. For instance, the country has the fiscal deficit that is the highest among developed countries, and its birthrate is dropping while the population is graying rapidly.

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Japan is in more need of pension, tax, and fiscal reforms combined with growth strategy than ever before. Comprehensive tax reform, including hiking the consumption and corporate taxes, was supposed to be set in motion this fall. The political turmoil will deepen the structural problems.

An administration rolling back reforms is the last thing the country needs. The lavish distribution of subsidies in the name of redressing socioeconomic disparities would weaken the country. The Abe administration has failed because its reform efforts were half-baked. The next administration is tasked with advancing reforms in an age of global competition.

The global financial and capital markets have not been functioning properly due to the US subprime loan crisis. A setback from the reform policy course and other factors augmenting the political risk would push foreign investors toward Japan-selling, thereby throwing the markets deeper into confusion.

Global environmental issues will test Japan's leadership. Toward the 2008 Lake Toya Summit, intensive environmental diplomacy is expected to unfold over creating an international framework replacing the Kyoto Protocol. Prime Minister Abe's proposal served as the foundation for the Heiligendamm Summit agreement to halve greenhouse gas emissions by 2050. Abe jumped into the international spotlight because of that proposal. Japan, however, might not be able to meet its reduction targets specified in the Kyoto Protocol.

Japan is playing a leading role in the international effort to create a post-Kyoto framework. Japan's failure to fulfill its responsibility due to political chaos would further undermine its international credibility.

A firm political foundation is essential in addressing those tough issues. The best way to end the political turmoil is to dissolve the Lower House for a snap general election to establish a stable political foundation based on popular will. The process would raise some questions for the Democratic Party of Japan as a responsible political party. Those questions would include: How will Japan contribute to the international community in the war on terrorism? Is it possible to reform the pension system without raising the consumption tax? Does an income security system for individual farmers not go against agricultural reform?

If an LDP-DPJ two-party system is to be realized, the nation could very well witness political realignment based on reform policies. Forming a grand coalition would be an option for achieving policy goals, such as pension and tax reforms.

German Chancellor Angela Merkel's grand coalition has restored the country's economic health by hiking the value-added tax and lowering the corporate tax. She is also spearheading the international effort to prevent global warming.

Germany's grand coalition succeeded because all parties shared a sense of crisis over the future of the country. Learning a lesson from Germany, Japanese political parties should also share a sense of crisis at this critical juncture.

(5) Collapse of Abe administration (Part 2): Prime minister's gospel of "beautiful nation" gives no heed to voters' wishes

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TOKYO SHIMBUN (Page 1) (Full)
September 14, 2007

In the morning yesterday, the day after Prime Minister Abe's astounding announcement of his resignation, Abe left his official residence for a hospital in Tokyo by a public vehicle and was hospitalized there. He did not attend a joint meeting of the Liberal Democratic Party's members of both houses in the afternoon.

Prime Minister Abe has lost his political clout since his announcement of resignation. With his hospitalization due to poor physical condition, Abe also has literally disappeared from

Nagata-cho (Japan's political center), where there is a lot of activity going on over the selection of a new prime minister.

One year ago, Abe announced his candidacy for the LDP presidential election with great fanfare. He released a manifesto titled, "A beautiful nation, Japan," drawing both positive and negative evaluations over the past year. Abe came under the spotlight as the prince of the political world. Photographs of smiling Abe made the covers of magazines.

The Abe administration brought forth in the manifesto the slogan of emerging from the postwar regime as one of the main pillars to build a beautiful nation.

The agenda of freeing Japan from the postwar regime is aimed at revising the Constitution. On the Constitution, the prime minister noted in a book he authored: "In the preamble, there is a declaration that could be taken as a deed of apology offered by a defeated country." This agenda was also to lift a ban on Japan's use of the right to collective self-defense.

In the first extraordinary Diet session held after Abe came into office, the government revised the Fundamental Law of Education as strongly desired by the LDP. In the earlier regular Diet session, the government also enacted the National Referendum Law, which sets legal procedures for revision of the Constitution. In addition, the Abe administration started discussion to partially allow the use of the right to collective self-defense.

In the July House of Councillors election, although pension problems were the top campaign issue, the prime minister sought a judgment by the voters for his slogan of freeing Japan from the postwar regime.

Just before the official announcement of the election, the prime minister had said: "I want to pin all my hopes on the achievements I have made (since assuming office)."

The voters, however, took no notice of the achievements. After all, the prime minister tried his hand at the agenda of emerging from the postwar regime, against the backdrop of the "legacy" of more than 300 seats in the House of Representatives left by former Prime Minister Junichiro Koizumi, but he failed to win public trust in his policy.

In the policy speech on Sept. 10, which turned out to be his last declaration of his determination to stay in power, the prime minister repeated his stock argument: "To secure a high quality life and a bright future, it is absolutely necessary to free Japan from the postwar regime."

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These words of the prime minister make us feel rather awkward. Why is the slogan of emerging from the postwar regime necessary in order to realize an affluent national life? This is nothing but a leap of logic.

In summing up the Upper House election campaign, the LDP pointed out a gap in the order of policy priorities between the LDP and the voters. The voters wanted politicians to promise in the election campaign to step up efforts to resolve such issues as pension, employment, and social disparities, in order to bring about an affluent national life. The prime minister's postwar-regime slogan gave no heed to the wishes of the voters to the last.

(6) LDP presidential race: Where will "Koizumi children" go?

YOMIURI (Page 2) (Full)
September 14, 2007

Every one of a group of Lower House members, including Jiro Ono, calling for former Prime Minister Junichiro Koizumi to run in the upcoming presidential election of the Liberal Democratic Party (LDP), was entering with a concerned air into the office on the fifth floor of the LDP's headquarters soon after 9:00 a.m. yesterday.

Yasuhiro Nakagawa enthusiastically said:

"We are now serving in the Lower House because former Prime Minister Koizumi promoted reforms. There is no other person than Koizumi who can push ahead with the reforms."

One member echoed: "I believe that former Prime Minister is the only person who will be able to win the coming election."

Both Ono and Nakagawa are the so-called "Koizumi children," who were elected for the first time to the Diet in the 2005 Lower House election.

Ono and Yasufumi Tanahashi, former science and technology agency chief, who is now serving in his fourth term in the Lower House, got together at Grand Prince Hotel Akasaka late at night of Sept. 12 when Prime Minister Shinzo Abe announced his intention to step down. They then decided to form the group. On the evening that day, 31 lawmakers signed a letter asking Koizumi to run in the race.

In the background is a sense of crisis of freshman lawmakers, as there is no prospect as to whether they will be able to survive the next Lower House election. They are upset about the fact that Takeo Hiranuma, who bolted the LDP in opposition to the government's postal-privatization plan, called for favorable treatment of "postal rebels," who were defeated in the 2005 election.

However, the Koizumi children are not necessarily united. At 11:00 a.m. yesterday, the 83 (hachisan) Association composed of 83 Koizumi children wrapped up a meeting after 10 minutes.

Chairman Masatada Tsuchiya proposed submitting a petition calling on the party leadership to hold an open presidential election. The members' views were divided. One member said reluctantly: "More than half of the 83 members belong to a faction."

"There is no possibility that I will run in the election," Koizumi

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told former Prime Minister Mori on the phone yesterday. Tanahashi and his follows assembled last night at Toranomon Pastoral in Tokyo to discuss the second best option. One member said: "Secretary General Aso, who intends to allow Hiranuma to return to the party, is not our choice." Another member remarked: "In order to avoid our votes from becoming null, Tanahashi should run."

The number of signatures collected was 36. The group will support a candidate who will follow the Koizumi reform drive, having the option of fielding its own candidate. After the meeting, Tanahashi repeatedly used the word "unity" in a press briefing.

(7) DPJ aggressively demanding disclosure of data by various government agencies; Diet is stalled

ASAHI (Page 4) (Full)
September 14, 2007

At a time when the extraordinary Diet session is stalled, following Prime Minister Abe's announcement of his plan to step down, the Democratic Party of Japan (DPJ or Minshuto) is successively asking various government agencies to disclose data concerning such issues as the continuation of the Maritime Self-Defense Force's mission in the Indian Ocean and the wasteful spending of pension funds and tax money. It is now preparing to quiz the ruling camp in Diet debate when it is resumed. The aim is to take advantage of the current situation, where the ruling and opposition camps have traded places in the Upper House and, therefore, it can exercise administrative investigation rights. Another aim is to highlight differences from the Liberal Democratic Party (LDP), while it is preoccupied with its presidential election.

Preparation for resumption of Diet debate

Defense Operations Bureau Director General Nobushige Takamizawa during a meeting of the DPJ's Foreign and Defense Division held in

the Diet on the morning of Sept. 13 offered a reply in response to the request to disclose data made by the party the previous day, "Refueling operations for vessels of the US and other countries are being carried out in a fair and appropriate manner. It is not possible to reveal the details of contracts for operational reasons." Some 40 DPJ participants jeered Takamizawa, calling on him to explain what a fair and appropriate manner is.

Next Cabinet Foreign Minister Yoshio Hachiro requested that the Defense Ministry deal with the Diet session with the perception that the situation has changed after the Upper House election. In the end, he called for the Foreign Ministry and the Defense Ministry to provide a reply again, claiming that their answers were insufficient.

The DPJ has the initiative in deliberations on budgets and bills in the Upper House, where it has become the top party. On that strength, it is asking government agencies to disclose various data. Their aim is to quickly obtain data and use them for the pursuit of the government in Diet debate and for drafting bills.

Next Cabinet Pension Minister Akira Nagatsuma on Sept. 12 made a sidewalk speech, noting, "A political vacuum will occur due to the LDP's presidential election. The DPJ in the meantime will hold division meetings and submit data to the government."

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However, government agencies are not complying with the DPJ's requests so easily. Regarding the allegation that the MSDF during an operation in the Indian Ocean refueled US vessels heading for Iraq, violating the objective of the Antiterrorism Special Measures Law, a participant from the Defense Agency during a meeting of the Foreign and Defense Affairs Division offered no more explanation than that the ministry has already provided, saying, "The US said there were no such cases."

The DPJ intends to roundly demand the disclosure of requested data from the government agencies that have failed to provide sufficient replies at the Budget Committee of both chambers. If they fail to respond to its request appropriately, it is determined to consider taking steps, including exercising administrative investigation rights by majority vote in the Upper House, according to Tetsuro Fukuyama, chairman of the DPJ's Upper House Policy Board.

Azuma Koshiishi, chairman of the DPJ caucus in the Upper House, at a press conference on Sept. 13 noted that the stalled Diet caused by the LDP presidential election has given an opportunity for the DPJ to fully prepare for coming Diet deliberations. He thus stressed his party's stance of waging a contest fairly and squarely instead of availing itself of the political crisis.

SCHIEFFER